

July 30, 2004

**ATTORNEY GENERAL WAYNE STENEHJEM ANNOUNCES \$30.25 MILLION
SETTLEMENT WITH THE BURLINGTON NORTHERN AND
SANTA FE RAILWAY COMPANY**

BISMARCK - Attorney General Wayne Stenehjem announced the state has reached agreement with The Burlington Northern and Santa Fe Railway Company (BNSF) to settle the lawsuit relating to the fuel contamination in downtown Mandan. The \$30.25 million settlement is the largest environmental settlement in the state's history.

The agreement, which was approved earlier today by the Mandan City Commission, also settles claims by the North Dakota Department of Health and the City of Mandan alleging violations of North Dakota's hazardous waste and water pollution laws. Although BNSF denied the allegations, in recognition of the expense and time associated with litigation, BNSF stated it was willing to cooperate with the state to reach the settlement.

"I am pleased we were able to come to an agreement with BNSF that allows the Health Department and the City of Mandan to finally resolve this longstanding problem," said Stenehjem.

Stenehjem stated he was very pleased with the settlement, under which BNSF will pay \$29 million and transfer property to the City of Mandan valued at \$1.25 million as follows:

- \$24 million placed in trust to pay for continued cleanup of the fuel contamination in downtown Mandan;
- \$2.5 million paid into a supplemental environmental projects (SEP) trust for projects that address the environmental impacts on the Mandan community from the contamination and cleanup in the downtown area;
- \$1 million as a penalty to the state for violations of North Dakota's laws;
- An additional \$500,000 to the state to reimburse the state's Leaking Underground Storage Tank Trust (LUST) Fund;
- \$1 million to the City of Mandan; and
- Land and buildings valued at \$1.25 million will be transferred to the city of Mandan (including Burlington Northern Park, Mandan Depot and the Mandan Public Library).

Stenehjem also noted the settlement addresses BNSF's continued responsibility for the contamination in the Mandan Railyard and the state's right to bring future enforcement actions for any new contamination.

Settling the case has allowed the parties to avoid the September 7 trial and associated costs, and avoids the uncertainty that comes with any litigation.

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